



The Bipartisan Budget Agreement's Spending Cuts

The bipartisan budget agreement includes specific, concrete spending cuts, which come to a total of \$85 billion in savings.

Below are the most notable examples:

Eliminate waste

- Stop paying Medicaid bills that dead-beat dads and insurance companies should cover. That's a \$1.4 billion spending cut.
- Stop sending unemployment checks to criminals. That's just common sense.
- Stop sending government checks to dead people. There's no reason to tolerate fraud.

Stop favoritism

- End the special treatment for non-profit student-loan servicers. We're paying too much, and these groups should compete for our business—fair and square. That would save \$3 billion.
- End corporate welfare.
 - o Some energy companies use the federal government like a bank. They deposit extra cash and earn well above market interest rates. By addressing this problem, we can save \$750 million.
 - o Repeal a government research program for private energy companies. That's a \$40 million cut.

Real reforms

- The federal government makes trillions of dollars of empty promises to retirees. And these empty promises not only drive the debt; they also threaten the retirement security of current and future seniors.
- This agreement starts to address the problem.
- We make sensible reforms for civilian and military retirement programs.
 - o On the civilian side, we ask future retirees to contribute a little bit more — still well below what's common for state and local government employees—so taxpayers don't have to pick up the entire tab.
 - o And for younger military retirees, we trim their cost-of-living adjustment just a bit. It's a modest reform for working-age military retirees.
- Taxpayers shouldn't have to bail out private companies' pension benefits. That's why we ask private companies to cover more of the cost of guaranteeing their pension benefits. That would protect taxpayers and save \$7.9 billion.
- Mandatory spending is where the problem is. This agreement extends the mandatory sequester for two more years, which cuts \$28 billion and rightly focuses on the source of the problem.